WEST virginia legislature

**FISCAL NOTE**

2021 regular session

Introduced

House Bill 2653

By Delegates Walker, Hansen, Skaff and Young

[Introduced February 23, 2021; Referred to the Committee on Health and Human Resources then Finance]

A BILL to amend the Code of West Virginia 1931, as amended, by adding thereto a new section, designated §11-21-12j, relating to tax exemption for funds from qualified retirement plans used for long-term care.

Be it enacted by the Legislature of West Virginia:

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-12j. Exemption for payment from certain retirement plans used for long-term care expense.

For taxable years beginning on and after January 1, 2021, in addition to amounts authorized to be subtracted from federal adjusted gross income pursuant to §11-21-12(c) of this code, any payment from a qualified retirement plan, including a pension or 401-K during the taxable year, used to pay for long-term care at home or in a long-term care facility, for either the taxpayer, the taxpayer’s spouse, parent, or a dependent as defined in section 152 of the Internal Revenue Code of 1986, as amended, is an authorized modification reducing federal adjusted gross income, but only to the extent the amount is not allowable as a deduction when arriving at the taxpayer’s federal adjusted gross income for the taxable year in which the payment is made. The maximum allowable reduction per taxpayer is $100,000 per year.

NOTE: The purpose of this bill is to provide a tax exemption for income from a qualified retirement plan used to pay for long-term care.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.